

**DEPARTMENT OF HEALTH SERVICES**

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March 23, 1998

**RECEIVED**

MAR 26 1998

TCM/MAA



PPL No.98-010

To All County Medi-Cal Administrative Activities (MAA)/  
Targeted Case Management (TCM) Coordinators and  
Advisory Committee Members

**CALCULATING THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)  
FOR THE TCM MAXIMUM REIMBURSEMENT AMOUNT.**

The purpose of this letter is to provide clarification to Local Governmental Agencies (LGAs) as to how the Department of Health Services (DHS) will calculate the maximum TCM reimbursement based on recent changes in the FMAP. The FMAP is used to ascertain the maximum federal share that will be paid to the LGA, and may vary for each federal fiscal year (October 1 - September 30).

In order to determine the maximum amount to be reimbursed to each LGA, the DHS will use the following method for calculating the TCM maximum reimbursement for each state fiscal year (July 1 - June 30).

Step 1. DHS will divide the TCM maximum reimbursement, line 22, of Worksheet A of the annual Cost Report (and the figure reported in the annual TCM rate letter), by four to determine a quarterly amount.

Step 2. Each quarterly amount will then be multiplied by the appropriate FMAP.

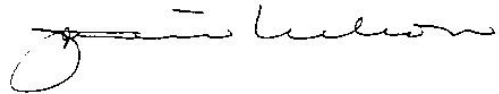
The FMAP for TCM for the date of service from July 1, 1995 through September 30, 1996 is 50 percent. The FMAP for the date of service from October 1, 1996 through September 30, 1997 is 50.23 percent. The FMAP for the date of service from October 1, 1997 through September 30, 1998 is 51.23 percent. It is anticipated that the FMAP will change for each subsequent federal fiscal year.

Step 3. The sum of the four quarters will then be added together to arrive at the TCM maximum reimbursement amount for the state fiscal year.

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The LGAs are reminded to identify the appropriate FMAP for each quarter billed on the TCM invoice. As necessary, please refer to Policy and Procedure Letter Number 97-027, dated November 26, 1997. If you have any questions regarding this matter, please contact the Federal Liaison Unit analyst assigned to your LGA.

Sincerely,



Janet Wilson, Acting Chief  
Medi-Cal Benefits Branch

Targeted Case Management:	X
Medi-Cal Administrative Activities:	
Policy Effective Date:	7-1-95
Policy Reference:	PPL No. 97-009, 97-027

Enclosure

cc: See next page

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cc: Ms. Cathleen Gentry  
Host County Liaison  
455 Pine Avenue  
Half Moon Bay, CA 94019

Mr. Bill Lasowski, Director  
Division of Financial Management  
Medicaid Bureau  
Health Care Financing Administration  
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Baltimore, MD 21244

Mr. Richard Chambers  
Associate Regional Administrator  
Division of Medicaid  
Health Care Financing Administration  
75 Hawthorne Street, Fifth Floor  
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Mr. Larry Lee  
Accountant  
Division of Medicaid  
801 I Street, Room 210  
Sacramento, CA 95814

## EXAMPLE

Using the premise that the TCM maximum reimbursement is \$125,000.00 for the fiscal year beginning July 1 and ending June 30, and that the first quarter FMAP is at 50 percent and that the remaining quarters are at 50.23 percent, the following calculation would apply.

Step 1	$\$125,000.00 / 4$	=	\$31,250.00
Step 2	$\$ 31,250.00 \times 50\%$	=	\$15,625.00
	$\$ 31,250.00 \times 50.23\%$	=	\$15,696.87
	$\$ 31,250.00 \times 50.23\%$	=	\$15,696.87
	$\$ 31,250.00 \times 50.23\%$	=	\$15,696.87
Step 3	$\$ 15,625.00 + \$15,696.87 +$ $\$ 15,696.87 + \$15,696.87$	=	\$62,715.63

\$ 62,715.63 Represents the TCM maximum federal reimbursement amount for the fiscal year beginning July 1 and ending June 30.

# TARGETED CASE MANAGEMENT MATCHING RATES

FFP

			1995/96	1996/97	1997/98	1998/99	1999/2000
Period	Quarter						
July 1 - September 30	1		50%	50%	50.23%	51.23%	51.55%
October 1 - December 31	2		50%	50.23%	51.23%	51.55%	
January 1 - March 31	3		50%	50.23%	51.23%	51.55%	
April 1 - June 30	4		50%	50.23%	51.23%	51.55%	